

Proposition 1

July 7, 2008

High Speed Rail Bonds. Legislative Initiative
Amendment.

Senate Bill No. 1856 CHAPTER 697

Sponsor: Costa.

BALLOT LABEL**SAFE, RELIABLE HIGH-SPEED PASSENGER TRAIN BOND ACT
FOR THE 21ST CENTURY.**

This act provides for the Safe, Reliable High-Speed Passenger Train Bond Act for the 21st Century. For the purpose of reducing traffic on the state's highways and roadways, upgrading commuter transportation, improving people's ability to get safely from city to city, alleviating congestion at airports, reducing air pollution, and providing for California's growing population, shall the state build a high-speed train system and improve existing passenger rail lines serving the state's major population centers by creating a rail trust fund that will issue bonds totaling \$9.95 billion, paid from existing state funds at an average cost of six hundred and forty-seven million dollars (\$647 million) per year over the 30-year life of the bonds, with all expenditures subject to an independent audit? Fiscal Impact: State cost of \$19.4 billion over 30 years to pay both principal and interest costs of the bonds. Payments would average about \$647 million per year. Unknown operation and maintenance costs, probably over \$1 billion annually; at least partially offset by passenger fares.

**SUBJECT TO COURT
ORDERED CHANGES**

Proposition 1

High Speed Rail Bonds. Legislative Initiative
Amendment.

Senate Bill No. 1856 CHAPTER 697

Sponsor: Costa.

July 3, 2008

BALLOT TITLE AND SUMMARY

HIGH SPEED RAIL BONDS. LEGISLATIVE INITIATIVE AMENDMENT.

- Provides \$9 billion for building a new high-speed railroad between San Francisco and Los Angeles.
- Funds rail expansion to other locations if money becomes available.
- Provides \$950 million for connections to the high-speed railroad and for repairing, modernizing and improving passenger rail service, including tracks, signals, structures, facilities and rolling stock.
- Total funding provided is \$9.95 billion from general obligation bonds.

Summary of Legislative Analyst's Estimate of Net State and Local Government Fiscal Impact:

- State costs of about \$ 19.4 billion over 30 years to pay off both principal (\$9.95 billion) and interest (\$9.5 billion) costs of the bonds. Payments of about \$647 million per year.
- Additional unknown costs, probably in excess of \$1 billion a year, to operate and maintain a high-speed rail system. The costs would be at least partially offset by passenger fare revenues, depending on ridership.

**SUBJECT TO COURT
ORDERED CHANGES**